

Russell L. Crane Volkswagen Environmental Mitigation Trust c/o Wilmington Trust, N.A. as Trustee 1100 North Market Street Attn: Capital Markets & Agency Services Wilmington, DE 19890

Dear Russell Crane,

The Missouri Department of Natural Resources has enclosed Missouri's 35th funding request through the Volkswagen Environmental Mitigation Trust (Project ID: Cat 4-EMA6 FY22-001). The department previously sent the enclosed D-4 submission electronically through Intralinks. The enclosure is to fulfill the requirement of a hard copy as required by paragraph 5.2 of the Trust Agreement.

Thank you for attention to this matter. If you have any questions regarding this submission, please contact Shelly Reimer, with the department's Air Pollution Control Program at P.O. Box 176, Jefferson City, MO 65102 or by phone at (573) 526-1836 or email at shelly.reimer@dnr.mo.gov.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Stephen M. Hall Director

SMH:cm

Enclosure

APPENDIX D-4 Beneficiary Eligible Mitigation Action Certification

Missouri Funding Request #35

Project ID: Cat 4-EMA6 FY22-001

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Missouri

Lead Agency Authorized to Act on Behalf of the Beneficiary: <u>Missouri Department of Natural Resources</u> (Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)

Action Title:	Medium Private Trucks – FY2022		
Beneficiary's Project ID:	Cat 4-EMA6 FY22-001		
Funding Request No.	35		
Request Type: (select	□ Reimbursement ■ Advance		
one or more)	□ Other(specify):		
Payment to be made to: (select	Beneficiary		
one or more)	□ Other(specify):		
Funding Request & Direction	□ Attached to this Certification		
(Attachment A)	To be Provided Separately		

SUMMARY

Eligible Mitigation	AppendixD-2 item(specify): Item 6: Class4-7 Local Freight Trucks (Medium Trucks)					
Action Type	tion Type 🛛 Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal):					
Missouri's BMP allocated \$6 revised the BMP to allocate a funding request will fund truck	ing request fits into Beneficiary's Mitigation Plan (5.2.1): million to private-owned truck projects, which includes eligible mitigation actions (EMA) 1 and 6. In 2020, the department an additional \$5 million for both government-owned and private-owned large (EMA 1) and medium (EMA6) trucks. This kreplacement projects under EMA 6 throughout the state. The projects will reduce NO _x emissions and upgrade fleets in cific goals listed in Missouri's BMP.					
Medium truck repowers and re diesel emissions exposure, w Encouraging upgrades for pri	Vitigation Action Item Including Community and Air Quality Benefits (5.2.2): eplacements reduce NO _x emissions and have a co-benefit of reducing particulate matter. These projects will reduce local hile also decreasing regionally transported NO _x pollution that contributes to the formation of ground-level ozone pollution. vately owned fleets can reduce operation and maintenance costs thus increasing the company's sustainability and ctor fleet upgrades in the future.					
tons of lifetime NO _x emission	NO _x Reductions (5.2.3): artment estimates that the \$6 million dedicated originally to private-owned truck projects will achieve an estimated 125-17 reductions. The department will calculate the emission reductions from each individual project implemented based on the rucks replaced and include the calculated emission reductions in the semi-annual reports the department will submit to the					
	mental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action ance with Applicable Law (5.2.7.1): ral Resources					
•	ciary will make documentation publicly available (5.2.7.2).					
	Natural Resources, as lead agency for the state of Missouri implementing the Environmental Mitigation Plan, has e VW Trust and mitigation actions, https://dnr.mo.gov/env/apcp/vw .					
Describe any cost share	requirement to be placed on each NO_x source proposed to be mitigated (5.2.8).					
	e covered by the fleet owners that will receive funds as part of this funding request will be sixty percent of the actual cost of eventy-five percent of the actual cost of the project for replacements. Some fleet owners may cover more than this					
Describe how the Benefic	ciary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).					
the Department of Agriculture	epartment notified the Department of Interior, including the National Park Service and U.S. Fish and Wildlife Service, and e, including the Forest Service of the availability of VW funds for locations within Missouri. The Department did not receive agency indicating interest in these funds.					
	w the mitigation action will mitigate the impacts of $\mathbf{NO}_{\mathbf{x}}$ emissions on communities that have his torically					
1 1	share of the adverse impacts of such emissions (5.2.10).					
These types of areas bear a c	disproportionately higher concentrations of diesel emissions such as truck depots, construction sites, and highways. disproportionate share of the air pollution burden from mobile emission sources, and these projects will help reduce higher concentrations of diesel emissions.					

ATTACHMENTS

(CHECK BOX IF ATTACHED)

	Attachment A	Funding Request and Direction.
Ø	Attachment B	Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
Ø	Attachment C	Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
Q	Attachment D	Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]
	Attachment E	DERA Option (5.2.12). [Attach only if using DERA option.]
	Attachment F	Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]

CERTIFICATIONS

By submitting this application, the Lead Agency makes the following certifications:

- 1. This application is submitted on behalf of Beneficiary <u>State of Missouri</u>, and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.
- 2. Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.
- 3. This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.
- 4. Any vendors were or will be selected in accordance with a jurisdiction's public contracting law as applicable. (5.2.5)
- 5. Beneficiary will maintain and make publicly available all documentation submitted in support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)

12 to to fall

[SIGNATURE]

3/28/2022

[DATE]

<u>STEPHEN M. HALL</u> [NAME]

AIR POLLUTION CONTROL PROGRAM DIRECTOR [TITLE]

MISSOURI DEPARTMENT OF NATURAL RESOURCES [LEAD AGENCY]

For

<u>STATE OF MISSOURI</u> [BENEFICIARY]

ATTACHMENT B

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #35 Project ID: Cat 4-EMA6 FY22-001

Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline

PROJECT MANAGEMENT PLAN

PROJECT SCHEDULE AND MILESTONES

Milestone	Date
DNR provides notice of availability of mitigation action funds	August 2021
Due date for project sponsors to submit proposals to lead agency	October 2021
DNR provides approval of successful project sponsors' proposals	November 2021
Project sponsors complete procurement and submit purchase orders	Project approval + 1 month
DNR submits attachment A to cover annual admin and project awards	Project approval +1 month
Trustee provides funds to DNR as requested in the attachment A	Project approval +1.5 months
Trucks delivered to project sponsors	Project approval + 3 months
Project sponsors submit evidence of vehicle scrapping, invoices, proof of payment, and other documents required for reimbursement	Project approval + 3.5 months
DNR reviews, requests corrections if necessary, certifies project completion, and provides reimbursement	Project approval + 4 months
DNR reports to Trustee on status of and expenditures with mitigation actions completed and underway	Jan. 31 and July 31 each year

This process will repeat again each state fiscal year (July-June) until all funds from this D-4 request are spent.

PROJECT BUDGET

Period of Performance: July 2021 – June 2027				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Project Sponsors)	
1. Equipment Expenditure	\$400,047	100,011.75\$	\$300,035.25	
2. Contractor Support (Provide List of Approved Contractors as Attachment with approved funding ceilings)	\$0	\$0	\$0	
3. Subrecipient Support (Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)	\$0	\$0	\$0	
4. Administrative ¹	\$0	\$0	\$0	
Project Totals	\$400,047	100,011.75\$	\$300,035.25	
Percentage	100%	25%	75%	

¹Subject to AppendixD-2 15% administrative cap.

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #38 Project ID: Cat 4-EMA1 FY22-001

PROJECTED TRUST ALLOCATIONS

	FY 2022	FY 2023-28
1. Anticipated Annual Project Funding Requests to be paid through Trust	\$ 14,500,000	\$ 6,895,504
2. Anticipated Annual Cost Share	\$ 12,884,650	\$ 8,762,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 27,384,650	\$ 15,657,504
4. Cumulative Trustee Payments made to Date Against Cumulative Approved Beneficiary Allocation	\$ 19,756,547	\$ 34,256,547
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 14,500,000	\$ 6,895,504
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 34,256,547	\$ 41,152,051
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 21,395,504	\$ -
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5)	\$ 6,895,504	\$ _

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

Records of the applicant, selected projects, and financial reports will be made available on the department's VW webpage in the form of a report to coincide with reporting requirements listed in the trust. Records may also be obtained through the state sunshine request portal.

ATTACHMENT D

Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6)

Beneficiary Eligible Mitigation Action Certification – Missouri Funding Request #35 Project IDs: Cat 4-EMA6 FY22-001

Size	Diesel	Propane	Compressed Natural Gas	Electric
Class 4	\$60,000 - \$100,000	\$65,000 - \$110,000	\$75,000 - \$120,000	\$125,000 - \$200,000
Class 5	\$75,000 - \$120,000	\$80,000 - \$130,000	\$85,000 - \$140,000	\$150,000 - \$250,000
Class 6	\$80,000 - \$140,000	\$85,000 - \$145,000	\$90,000 - \$150,000	\$175,000 - \$275,000
Class 7	\$90,000 - \$180,000	\$95,000 - \$190,000	\$100,000 - \$200,000	\$225,000 - \$350,000

Medium Truck Replacement Projects

The department reviewed invoices for class 4-7 trucks that fleets have applied for in recent funding programs the department administered. Trucks are classified by their gross vehicle weight rating. The type of fuel that powers the engine affects the price of the truck. Special equipment and the intended use for the trucks also affect the price (lifts, hydraulics, pumps, plows, dump beds, etc.)